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Water Quality Planning
Water Pollution Control
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Mining Regulation & Reclamation
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DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

901 South Stewart Street, Suite 4001
Carson City, Nevada 89701 -5249

August 25, 2005

Notice of Proposed Action

The Administrator of the Division of Environmental Protection gives notice that an application for a Water Pollution Control Permit for the Morris Mill Facility and Ashdown Mining Project has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Water Pollution Control Permit NEV2005105 is:

Golden Phoenix Minerals, Inc.
1675 E. Prater Way, Suite 102
Sparks, Nevada 89434

The facility is located in Humboldt County, within Section 23, Township 45N, Range 28E, and Section 14, Township 45N, Range 29E, Mount Diablo Baseline and Meridian (MDB&M), approximately 14 miles south-southwest of Denio Junction.

The project consists of processing ore from the Ashdown Mine. Conventional flotation milling with a gold classifier will be used to process the molybdenum and gold ore with tailings disposal into a bermed and lined tailings impoundment. The maximum permitted production is 36,500 tons of ore per year and no more than 120,000 tons of ore for the life of the project. The facility is comprised of the mine, waste dump, 500 ton ore stockpile, crushing and grinding circuit, mill and process plant including flotation tanks, cleaner circuit, thickener, filter and concentrate bin. Pipelines route tailings to, and return reclaim water from, the tailings impoundment. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation, except for meteorological events which exceed the design storm event.

The Administrator is constrained to issue the Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or

who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30th day following the date of publication of this notice to:

Division of Environmental Protection
Bureau of Mining Regulation and Reclamation
901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249

All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson on (775) 687-9401, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at <http://ndep.nv.gov/bmrr/bmrr01.html>